The Creative Entrepreneur

How to understand, navigate and survive the creative marketplace?

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The Creative Entrepreneur

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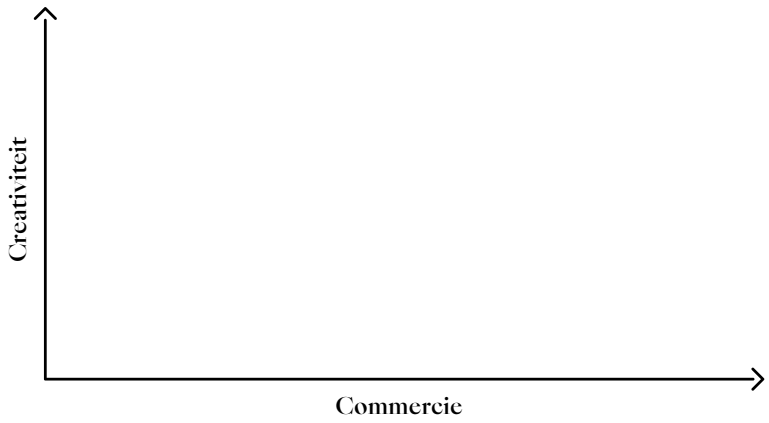
Samenvatting

Uit het eerste deel (hoofdstukken 3 en 4) hebben we geleerd dat creatieve ondernemers opereren in een dynamische en overbevolkte markt. Om te blijven bestaan moeten creatieve ondernemers enorm ondernemend zijn. De markt is immers uiterst concurrerend met slechts een paar winnaars en een lange staart van ondernemers die nauwelijks weten te overleven. Bovendien is het creatieve proces inherent onzeker; niemand kent van tevoren de eigenschappen van de markt voor een nieuw, innovatief product. Is er überhaupt vraag naar, wie wil hiervoor betalen? Wat is een goede prijs? Creatieve ondernemers investeren veel tijd en middelen in het ontwikkelen van nieuwe producten en diensten voordat ze rendement kunnen halen. En of de vraag daadwerkelijk materialiseert is afhankelijk van vele factoren zoals de reactie van poortwachters en sociale besmettingseffecten. Bovenop is de creatieve markt zelf ook erg veranderlijk. Disruptie is de norm en de creatieve markten zijn steeds meer globaal en digitaal.

In het tweede deel (hoofdstuk 5) hebben we geleerd dat creatieve en niet-creatieve ondernemers veel op elkaar lijken. Er zijn echter een aantal interessante verschillen die meer licht werpen op de specifieke kenmerken en uitdagingen van creatieve ondernemers. Ten eerste hebben creatieve ondernemers veel meer ambities dan niet-creatieve ondernemers. Waar de niet-creatieve ondernemer eerst en vooral streeft naar financieel succes, heeft de creatieve ondernemer een breed scala aan ambities. Het produceren van innovatief werk, artistieke vrijheid, publieke erkenning, het uitbreiden van de kunstvorm, het verdienen van geld en het betrekken van de gemeenschap zijn allemaal belangrijke ambities voor de creatieve ondernemer. Misschien is de creatieve ondernemer te ambitieus voor zijn of haar eigen bestwil.

Binnen dit brede scala aan prioriteiten is de creatieve ondernemer constant op zoek naar de optimale verhouding tussen commercie en creativiteit. Een grote uitdaging voor de creatieve ondernemer is het oplossen van de zogenaamde commercie-creativiteit paradox. Hier is het belangrijk dat creatieve ondernemers creativiteit en commercie niet als communicerende vaten ziet waarbij meer van het ene (b.v. commercie) minder van het ander (b.v. creativiteit) betekent. Dit is is het geval, maar heel vaak ook niet. Onze menselijke geschiedenis laat zien dat creativiteit en commercie hand in hand kunnen gaan. Maar om zo'n plek te vinden waarbij creativiteit en geld verdienen hand in hand gaan is moeilijk en vereist een diep begrip van zowel commercie als creativiteit.



Figuur: 1
de Commercie Creativiteit Paradox

Het valt op dat creatieve ondernemers aangeven dat ze het moeilijk vinden om kansen te zien. Creatieve ondernemers vinden het vooral ingewikkeld om de kansen te zien die worden geboden door de opkomst van nieuwe technologieën en de kansen die worden geboden door de markt. Het is daarom wellicht ook geen verrassing dat creatieve ondernemers het complex vinden om toegang te krijgen tot markten en financiële middelen.

Binnen de groep creatieve ondernemers zien we dat die ondernemers die een sterke drang hebben om geld te verdienen, beter in staat zijn marktkansen te signaleren, terwijl die ondernemers die vooral een grote behoefte hebben om te creëren dit niet zo goed doen. Zij zijn echter beter in het signaleren van kansen om nieuwe, innovatieve producten te creëren. Vooral die creatieve ondernemers die veel samenwerken met collega's hebben vaak minder *feeling* met de markt.

De tegenstrijdigheid tussen de veelheid aan grootse ambities enerzijds en de beperkingen in tijd anderzijds leiden tot lastige keuzes. Veel creatieve ondernemers geven dan meer tijd en aandacht aan het ontwikkelen van producten en besteden minder aandacht aan het onderzoeken en testen van de markt. Dit kan betekenen dat het moeilijker is om die kansen te ontdekken waar commerciële doelen hand in hand gaan met innovatieve en creatieve doelen. Dit is geen kritiek. Het is immers tijdrovend om en te netwerken en te investeren in nieuwe innovaties.

Gezien de grote behoefte bij creatieve ondernemers aan zowel creatief als financieel succes, en gegeven de beperkte tijd die de gemiddelde creatieve ondernemer heeft, is het geen verrassing dat het voor een ondernemer alleen zeer moeilijk is om die grote ambities waar te maken. Het is daarom heel logisch dat veel grotere creatieve organisaties een vorm van dubbel leiderschap hebben. De ambities van creatieve ondernemers zijn gewoon te groot en te divers voor één leidinggevende persoon. Bovendien is de kans dat een persoon zowel voldoende creatieve en goede commerciële vaardigheden bezit laag.

Maar dualistisch leiderschap heeft ook zijn uitdagingen. We weten dat in veel gevallen een van de twee leiders meer te zeggen heeft dan de ander. Bovendien, omdat creativiteit een passie is, is het erg moeilijk om de juiste partner te vinden; iemand die je begrijpt, die jouw dromen en visie deelt, maar die aanvullende creatieve en ondernemende competenties meebrengt. Het is daarom geen verrassing dat het aantal creatieve paren nog steeds vrij klein is en dat creatieve paren meestal of familieleden of geliefden zijn.

Een andere optie voor creatieve ondernemers om zowel hun commerciële als creatieve doelstellingen te bereiken is het actief inzetten met agenten en coaches. Dit is in potentie erg nuttig, maar is ook heel moeilijk. Vooral in het begin van de creatieve carrière wanneer de creatieve ondernemer nog geen middelen heeft om hierin te investeren.

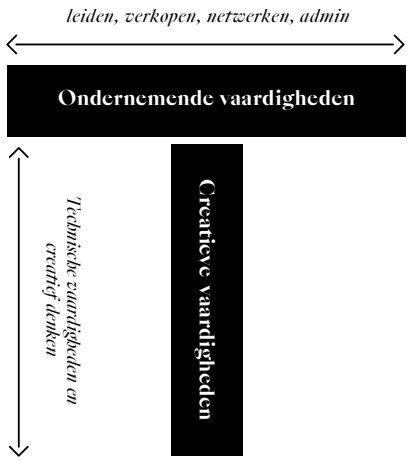
Hoewel er veel overeenkomsten zijn tussen creatieve en niet-creatieve ondernemers, zien we dat creatieve ondernemers aanzienlijk minder inkomsten en winst maken dan hun niet-creatieve tegenhangers. Maar tegelijkertijd innoveren creatieve ondernemers aanzienlijk meer dan niet-creatieven; ze brengen regelmatig nieuwe producten en diensten op de markt.

We hebben ook geleerd dat creatieve ondernemers maar beperkt vertrouwen hebben in hun eigen ondernemerscapaciteiten. Dit is misschien niet onverwacht, gezien het feit dat ze grote ambities voor zichzelf hebben, maar te maken hebben met een zeer sterke en dynamische concurrentie. Creatieve ondernemers geven aan dat ze vooral worstelen met a) financieel beheer en administratie, b) verkoopvaardigheden, en c) besluitvaardigheid en focus. Het is vooral in deze gebieden dat creatieven hulp en ondersteuning zoeken.

We kunnen concluderen dat creatieve ondernemer vele schijnbare tegenstellingen moet overwinnen. Ze moeten hun artistieke ambities verzoenen met commercieel en financieel succes. Ze moeten niet alleen creatief zijn, maar moeten die creativiteit ook uitbreiden met andere ondernemerscapaciteiten. Ze moeten in staat zijn om netwerken te bouwen, teams te beheren en financiële stromen te beheren. Net als elke ondernemer moeten ze een manusje-van-alles zijn. Maar daarnaast hebben ze ook de nodige creatieve vaardigheden nodig om constant nieuwe innovaties naar de markt te brengen.

Gezien de kenmerken van de markt en de uitdagingen van het maken van nieuwe, originele producten, zou je kunnen zeggen dat de ideale creatieve ondernemer een T-vormig profiel heeft. Creatieve ondernemers moeten, zoals elke andere ondernemer, een verscheidenheid aan ondernemersvaardigheden bezitten, zoals leiderschap, strategisch denken, kansen herkennen, verkopen en netwerken, project- en risicomanagement. Naast al deze ondernemerskwaliteiten moet de creatieve ondernemer ook uitblinken in creatieve vaardigheden zoals creatief denkvermogen en specifieke technische vaardigheden, die passen bij het beroep dat uitgevoerd wordt. Deze uitgebreide reeks vaardigheden is nodig om de creatieve ondernemer te helpen om de paradox tussen creativiteit en commercie op te lossen.

Figuur: 2
Het ideale T-profiel van de creatieve ondernemer



Natuurlijk hoeven ze geen specialisten op deze gebieden te worden, maar creatieven moeten op deze gebieden voldoende goed zijn om dit uit te besteden aan en te sturen naar partners om mee samen te werken.

1.
Introduction

The purpose of art is washing the dust of daily life off our souls.

— Pablo Picasso

In the last 25 years the world of the regular artist has changed considerably. Their place in the world has changed from a secluded, shielded and special position with a focus on the intrinsic value of art towards an open, unprotected spot where creativity, innovation and market rules reign.

This makeover of the artist comes with a catch. Society is expecting more and more of today's artist. Not only should they be excellent craftsmen in their field, and is it imperative that they posses great creative skills, but our current society also expects that the artist of today is able to brand, market and sell their work on an international and competitive marketplace. This new world requires that existing artists and new artistic talents obtain entrepreneurial knowledge, skills, and abilities. And many of these new abilities and skills do not come naturally to the average artist.

Moreover, our creative educational systems find it hard to provide these new entrepreneurial sets of knowledge, skills and abilities, as this entrepreneurial curriculum has to be taught on top of the artistic curriculum. It is nearly impossible to teach a single student such a diverse set of skills in the timeframe of a regular bachelor and master program. It is therefore no surprise that arts graduates name "business and management skills" as the "number one area they wish they had been more exposed to in college" (Tepper & Kuh, 2011).

But the question remains whether generic "business and management skills" are necessary and sufficient to understand the particular workings of the art markets. In many aspects the creative entrepreneur is different from a regular business. A MBA-type

of program with its straightforward focus on finance, accounting, strategy and planning will certainly have value for an artist, but in a number of ways the economics of the art world are quite different. If creative entrepreneurs, coaches and agents are not conscious of these important differences, mistakes will be made. Therefore, the purpose of this pink paper is to demonstrate the economic particulars of the art world to developing and established artists and show in which ways creative entrepreneurship is different from other forms of entrepreneurship and management. Which capabilities should a creative entrepreneur possess in order to earn a decent living while pursuing artistic and creative dreams?

2. From Artist to Creative Entrepreneur

Good business is the best art.

— Andy Warhol

As said, in the last decades we have seen the demise of the artist and the emergence of the creative entrepreneur. This is not the first time that the image and the very identity of the artist changed. It is well established in the art history that the very concept of an artist did not exist in the Middle Ages. An artist was always considered to be a *craftsperson*, someone who is able to perform a certain set of skills better than another. An artist was not someone with a specific profession, but rather someone who was more skilled in a certain professional field.

From the end of the 18th century, the definition of an artist slowly changed. The recognized discipline of a person became the norm. A sculptor, a painter, a poet became artist, while working with textiles or leather remained a craft. During this change, our view of the artist its purpose also changed. Art was something to do with finding and revealing "a higher truth". The term fine art emerged. Partly in response to the industrial revolution, innovation and creativity became crucial elements of an artist. Artists should find their own paths, not just simply create beautiful works. That art was something to strive for, something valuable in itself, can be seen in the slogan *"l'art pour l'art"* that emerged in the 19th century.

During this transition not only the definition of the artist changed, but also their image and, yes, their identity. The artist became a genius: a solitary person, much like a prophet. The artist was a completely independent person with no strings attached. Economy and market were almost dirty words and worlds to the true artist. Selling was selling out. Artists, like monks, were celestial.

Currently we are in a transition where the old vision of the artist is changing again. First, we acknowledge the fact that, in order to live and survive, the creative person has to find ways to make a living. Works of art not only need to be made, but also sold to a market. The artist cannot be seen as a genius free of monetary matters. Perhaps even on the contrary. One could even argue that an artist is first and foremost defined by their ability to sell. Successful artists such as Pablo Picasso and Andy Warhol were very knowledgeable about their markets and how to sell their products (Galenson, 2002). Second, we increasingly understand that creativity resides as much in teams and collaborations of artists than in a sole genius. Creative magic often happens when creative persons from different fields, with different skills and with different views start working together in loose or long-term partnerships. There are many examples in music, art, fashion, movies et cetera that demonstrate the power of creative collaboration (Sawyer, 2008). So our romantic view of the artist as a solitary genius who makes art for art's sake, without any thoughts or attention to worldly matters such as income, slowly changes. We develop a more unprejudiced view of the artist and the world he or she needs to live in. We increasingly acknowledge the fact that there is a market for art and that surviving as an artist requires not only artistic and creative capabilities, but also a basic understanding of economics. Thus the creative entrepreneur is born.

The advent of the creative entrepreneur is caused by a number of triggers.

1

Since the 1980's, we have seen the **ideological hegemony** of the liberal market. This implied that subsidies and specific forms of sponsorship and support for artists were steadily reduced in the past decades.

2

While creativity was once the hallmark of the artist and the scientist, nowadays creativity is vital for every professional. As standard procedures are increasingly automated and eliminated, **ingenuity and imagination are becoming necessities for all workers** and not something that sets the creative person apart from the regular operative. In line with the former, the number of creative professions is exploding. Nowadays, creativity is not only key for the sculptor, painter, and poet, but also for the interactive designer, the architect, the photographer, the fashion designer, the data artist, the game and app developer, the movie director, the video blogger, et cetera. The line between fine art, crafts and professionals is vanishing. While some works of art are core to the creative industry, the border between core and periphery has become fuzzy. This implies that it is hard to define specific rules and regulations, just for artists.

3

The **number of educational programs and graduates of those programs in the broader fields of the arts has grown substantially** in many westerns countries in the last decades

leading to a growth in the number of artists. While the market also has grown, this makes it hard to survive in the ever-competitive art market.

4

Just as every other market, the art market has become increasingly international. Renowned artists come from all over the world. Art is a global world with global competition, as well as global opportunities. This is true for world-renowned artists as AI Wei Wei and Banksy, but also for beginning designers from all over the world who look for publicity on Pinterest, Facebook and Instagram and sell their work on Etsy and ArtMarket.

Off course, the world is not black and white. It is not true that we used to have artists and nowadays we have creative entrepreneurs. In many respects, the boundary between these concepts remains fuzzy. But it is true that artists nowadays *"are willing to move across sectors and no longer see working outside the commercial sector as a badge of distinction or authenticity"* (Bridgstock, 2013; Ellmeier, 2003).

3. The creative entrepreneur – a portrait

3.1 Defining the Creative Entrepreneur

The creative entrepreneur does not exist. The group of creative entrepreneurs is in reality too diverse. They differ in the type of work they perform, whether they typically operate alone or in a team or troop en whether their creativity is more applied and a means to an end, or more fundamental and creativity itself is at stake.

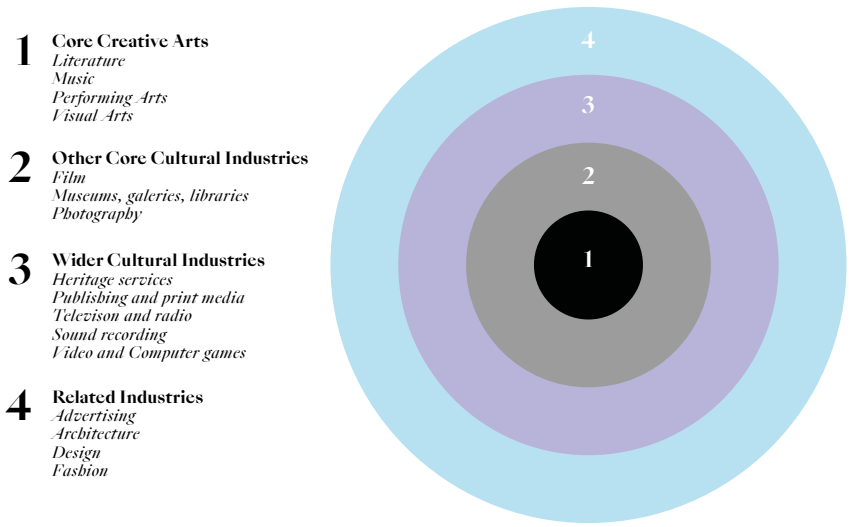
The difference between fundamental and more applied versions of creativity can be found in one of the more interesting definitions of the cultural industry; the concentric circles model of Throsby (2008). This model is based on the notion that there are two distinguishable types of value that can be created: economic and cultural. Of those two, cultural value gives the cultural industries their most distinguishing characteristic. The model thus suggests that the more noticeable the cultural content of a particular service, the stronger is the claim of the industry producing it to be counted as a cultural industry. Thus are the concentric circles delineated: at the center are core industries whose proportion of cultural to commercial content is considered highest, with layers extending outwards where cultural value falls relative to the commercial value of the service rendered. In this view sectors such as literature, music and the arts are considered at the very heart of the cultural industries, while industries such as advertising, fashion, design and architecture are seen as being less core.

While the model of Throsby appeals to many artists, it should be noted that it is based on the ratio of cultural value vs. economic value. This implies that the cultural value of for instance fashion may well be higher than that of, for example, literature, but that it is something that has a comparatively high economic value. Second, one should understand that it is very hard to determine the cultural value of a good. Third and last, one should also understand that there is a sizeable difference between cultural value and

creative value. For instance the work of John Howkins (2001) on the creative economy emphasizes the value of imagination, originality and novelty. An orchestra playing *The Four Seasons* by Vivaldi is certainly a cultural work, but maybe seen as less of a creative work. At the same time, the creation of the Internet by Tim Berners-Lee is certainly a creative work, but may be seen as less of a cultural work (although people may argue about what is cultural value (Mato, 2009 or Miller, 2009).

While we acknowledge the various different concepts of the cultural and creative industries, in our research we have chosen for a remarkable operational definition of the creative entrepreneur. To be able to do meaningful research we have chosen to follow existing industrial lines and codes. Based on existing definitions and codes (e.g. UNCTAD, WIPO, DCMS) we have selected various industry codes and branded the entrepreneurs in these codes as creative entrepreneurs.

Figure: 3
The concentric circles model (Throsby, 2008)



3.2 Are creative entrepreneurs really different?

One core question that has seldom been seriously studied is the question regarding the uniqueness of the creative entrepreneur. Are these entrepreneurs different from other entrepreneurs? Or is being a creative entrepreneur just the same as being any other entrepreneur and does it require the same characteristics any other entrepreneur should possess, such as pro-activeness, an appetite for risk–taking and innovativeness?

The very definition of the creative economy suggests that creative entrepreneurs have to have more creative capabilities. They need to be able to bring new innovations and inventions to (new and existing) markets. This requires original thinking and the ability to take calculated risks. The Schumpeterian definition of entrepreneurs seems therefore very fitting to the creative entrepreneur. Much more than the definition of Kizner (2009), who saw the entrepreneur much more as the dynamic actor needed for the equilibrium of markets. It is therefore not a surprise that creativity is seen as a key capability for many entrepreneurs (Fillis and Rentschler, 2010). This however does not directly answer the

question if creative entrepreneurs are significantly different than creative entrepreneurs. It merely suggests that both sets of entrepreneurs are alike, as creativity is central to both sets. In another view Klamer (2011) argues that a cultural entrepreneur is the character who is entrepreneurial in the realization of cultural values. This is very much in line with Throsby's definition of the creative industries. For Klamer creativity seems not to be a core capability of all entrepreneurs, but rather a goal for some of them.

While the literature on creative entrepreneurs in itself is limited, there are interesting case studies looking at individual success factors. For instance the case study of Svejenova, Mazza, and Planellas (2009) on Ferran Adria, the famous cook of El Bulli, the case studies of Reckhenrich, Anderson, and Kupp (2009) and Haight (2011) on Damien Hirst, and the case study of Kerrigan, Brownlie, Hewer, and Daza-LeTouze (2011) on Warhol. These are all studies where entrepreneurial elements of famous artist are considered. This is in contrast with most studies and biographies of famous artists, where typically scant attention is given towards the entrepreneurial and financial aspects.

On top of the existing case studies of famous artists there is also some literature where artistic organizations are studied. This literature does suggest that being entrepreneurial and market-driven and being artistic require a balancing act (Lampel, Lant & Shamsie, 2000) and show that the market logic sometimes conflicts with artistic logic (Thornton, 2002). Some studies seem to point out that cultural and creative organizations have to manage many paradoxes, such as the paradox between art and commerce. Great examples of these studies are Voss and Voss (2000), DeFillippi and Arthur (2002) and Jones, Anand, and Alvarez (2005).

3.3 An individual process view of entrepreneurship and creativity

As we said before, creativity and entrepreneurship are remarkably similar concepts. Schumpeter (1942) himself defined an entrepreneur as someone who is willing and able to convert a new idea or invention into a successful innovation. Creativity, in his view, is one of the hallmarks of the entrepreneur.

To go beyond the obvious, it is perhaps wise that we discuss a little bit further what creativity is. Here, it is important to note that there are various ways to look at creativity. One can distinguish the following four aspects of creativity, a.k.a. the 4 p's of creativity (Rhodes, 1961):

- Creative Person - The person is at the center of any creative endeavor and research has given us various instruments to measure the creativity of persons.
- Creative Places - The physical and psychological place in which the creative person can be creative. Here we can discriminate between creative workplaces and creative organizations
- Creative Products – The novel, valuable and original outcome of the creative process.
- Creative Processes – This relates to the procedure and work practices that are used to solve a problem and come up with novel, original solutions. Here many creative methods have been developed in the last decades such as Janusian Thinking and Brainstorming. However, not all of these methods in use seem to be effective.

Looking at these 4 p's of creativity, the similarity between these and the corresponding aspects of entrepreneurship is remarkable. For instance the creative personality is very similar to the entrepreneurial personality. It can be no surprise that people with creative personalities are more likely to identify business opportunities and to start businesses (Shane & Nicolaou, 2015).

Also if we concentrate on the latter, the creative process, we realize that there is a huge overlap between the entrepreneurial process and the creative process. A creative methodology like "design thinking" is used as much by entrepreneurs as by creative professionals. Moreover the entrepreneurial processes of opportunity recognition and exploitation has many overlaps with the creative process (Corbett, 2005).

These broad similarities in personality and process do not mean that there are no differences between creative persons and entrepreneurs. Entrepreneurs are often seen as jack-of-all-trades (Lazear, 2004). To be a successful entrepreneur you have to proficient in many different skills. You need to be good in activities such as administration and selling and this is no requirement for a creative person. Moreover aspects such as (financial) risk-taking and pro-activeness, central to the concept of the entrepreneur, are merely nice-to-haves for the creative person.

Moreover, while the personality and natural abilities of entrepreneurs and creative persons may already differ at birth, both entrepreneurs and creative may go through different socialization processes shaping identity and skills further. Many, perhaps even most, creative entrepreneurs do not necessarily want to become entrepreneurs. They typically just want to pursue a creative profession. Only during their formative years they become more aware that to fulfill this creative dream, they might need to start a creative enterprise. In that sense creative persons can be seen as necessity entrepreneurs and not always entrepreneurs by choice. Their motivations differ.

Also the socialization process that evolves during their education in art school shapes their skills and identity. Creative, artistic persons tend to look differently at the world and at problems. Artistic authenticity is for instance something that is typically promoted in art school. It is telling that art school students often see authenticity as something that is close to their own personality, business school students see authenticity as something that can be fabricated and is more a characteristic defined by the customer and not by the professionals.

The discussion above sketches some of the broad differences that can be found in the literature and are used as inputs and testable hypothesis in our research. It should be noted that some of the literature discussed here follow some stereotypes and extremes. For instance, as we discussed earlier, many creative persons work in the wider cultural industries and related industries such as advertisement and design. In these industries, the voice of the user has traditionally been very important and creatives often take the user or customer's need as the ultimate aim for their solution. Individual authenticity is much less an issue in these industries.

4. The Context of the Creative Entrepreneur

Personality and the selection and socialization processes of our formative years in art school do not fully characterize the creative entrepreneur. While art school is already extremely competitive with forceful selection processes of entry and promotion, the first years as a professional on the creative market are just as fearful. Many young talents that make it through art school with its competitive culture are not able to make a life for themselves as self-supporting artists. The majority of art students will find a job outside of the cultural and creative industries. In some cases using their creative skills in other domains and sometimes developing new skills in new surroundings.

4.1 A very competitive marketplace

This suggests that the market for creative and cultural services is extremely competitive and only the fittest, best-adapted creative entrepreneurs survive. These are typically those creatives that are not only able to create great creative products, but those who are also able to sell these products to the market or even create a market of their own. And, off course, there will be other success factors beyond individual capabilities, other aspects are important such as luck, availability of other financial means and access to valuable social networks.

It is very well studied that artists value the creation of works of art in itself. In economic terms one would argue that the creation of work brings utility to the producer. This ensures that creatives tend to produce works of art even when their monetary reward to do so is low or even zero. The production itself fulfills a need and gives satisfaction. This leads to a permanent oversupply of creative entrepreneurs and is the chief reason for the competitive markets on which creatives operate as described above.
But the tendency to overproduction is not the only peculiar aspect of the market of cre-

ative goods. Another differentiating aspect is its skewness; in most creative markets there is a winner-takes-all tendency. Only a small group of creative entrepreneurs obtain all the money; they are superstars (Rosen, 1981). Most entrepreneurs struggle while making a living, and only a handful of creatives reap the majority of the benefits. This is true for most creative markets, but especially for industries such as music, film, and art. It is a superstar world where the rich get richer and the powerful more powerful (Elberse, 2013).

4.3 In a rapidly changing world

Beyond these typical characteristics of art markets, the creative entrepreneur is also confronted by other developments that are also influencing all other entrepreneurs. For instance, the world is becoming more global with new global opportunities, but also global competition. Given the earlier discussed traits of creative markets such as its tendency to winner-takes-all models, this further intensifies the competitive landscape. A creative entrepreneur should not only be able to outperform its local competition, but also its global competition. This requires more support, better branding, better access to valuable networks, et cetera.

Another external force is that the world is becoming more digital. This influences not only the type of creative works that are made (e.g. video installations), but also the (digital) skills that are needed to produce, market and sell these products. Moreover as many digital goods have certain characteristics, such as low cost to copy, the digital business models that are needed to capture the value of a work of creativity are also quite challenging and different (e.g. Spotify, Etsy) and challenge traditional business models of producers. Many of the larger creative industries such as the music (Scherer, 2006), video gaming and fashion industry (Bhardwaj and Fairhurst, 2010) have experienced enormous changes in business models, structure and new entrants and these dynamics are still going on.

4.3 Where creativity and innovation are not always valued

Another defining characteristic of art markets is that it is hard to define an objective value of a creative or artistic good. This value is largely subjective and in the eyes of the beholder. Moreover, it is hard to predict the success of a new work of art. This is also known as the "nobody knows"-criterion (Caves, 2003). On top of this lack of objective value other aspects, such as its investment value, are important in determining its value. Research shows that customers typically value those artistic products that are valued by others. Social forces do play an important role in determining the value of works of art. Here a special role is for the gatekeepers, the reviewers, editors and curators. Their role is extremely important and they are able to make-or-break creative entrepreneurs (see for example Foster, Borgatti, and Jones, 2011).

Interestingly, creativity is not valued per se. If new works of art are too original and too new they tend to be looked upon with suspicion (Jalonen, 2011). There seems to be a level of optimal distinctiveness where the new work resembles existing works of art in some ways, but is different in other ways (Haans, 2017). Here, there is an interesting trade-off for artists. If you create a work of art that is totally original, there is a lack of legitimation and many people will dislike it. On the other hand such a work of art may

also open new worlds with low levels of competition. On top of this we see that demand for creative goods is for a large part determined by social norms. When other people like your work, it is most likely that others will follow, strengthening the superstar effect (Sagalnik, and Watts, 2008 and Muchnik, Aral and Taylor (2013).

To be able to stand out of the crowd in the network economy, a creative entrepreneur does not only need to have an optimal authentic proposition, but he or she needs the access to valuable networks that act as supporters for the creative entrepreneur and are willing to further their career. In many creative industries this is traditionally done by working in pairs or in collaboration with agents try to further the careers of selected creatives (Bhansing, 2013). This of course comes with a price as the agent or partner needs to make a living as well.

4.4 With fundamental creative work not always appreciated

It has always been clear that there are many parallels between science and art. Both fields of study are deeply rooted in the history of mankind. The renaissance was a period of unified knowledge where expertise from art, science, engineering and medicine where combined. Leonardo Da Vinci, a.k.a. "The Renaissance Man", was a painter, sculptor, architect, musician, mathematician, engineer, inventor, anatomist, geologist, cartographer, botanist and writer. While there are many similarities, the differences are also clear. In art, there is a focus on individual authenticity and subjectivity, in science the focus is on replication and objectivity. Nevertheless, although the definitions of creativity and innovation largely overlap, it is customary to see both artists as well as scientists as innovative and creative.

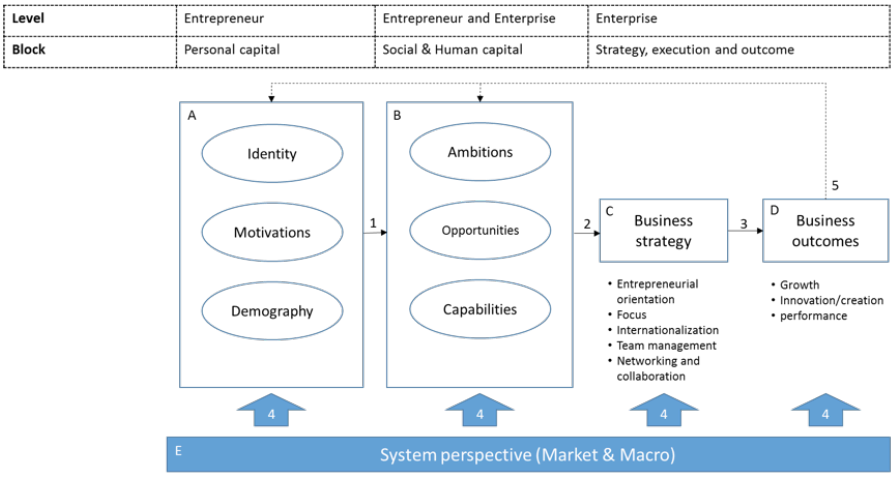
It is in this respect notable that the policies regarding science seem to move away from the market. The research of Mazzucato (2015) argues convincingly that a far more proactive role is needed of the government if innovation-led economic growth is a priority. Most breakthrough innovations (e.g. internet, AI, nanotechnology) have been funded by the government. Commercial organizations have a poor track record funding these fundamental areas of research. The government should fund the most uncertain phase of the research that the private sector is too risk-averse to engage with. Increasingly many people? share this view. The EU innovation agenda for the period 2020-2025 (FP9) is partly shaped by these insights.

The same argument can be made for the arts. Also here, it could be the case that fundamental artistic work that may be too different is not valued enough by the market. The discussion should be whether there is a case for market failure in the arts, just as there is in the sciences.

5. Creative Entrepreneurs vs. other Entrepreneur

In 2015 we have started a multi-year research program on creative entrepreneurs. To guide our enquiries we used existing theories to build a Creative Entrepreneurship Framework (CEF) to guide our research. This framework aligns aspects of the entrepreneur with aspects of the enterprise and aims to build a clear line of causality from the fit between capabilities and opportunities to business strategies and business outcomes.

Figure: 4
The Creative Entrepreneur Framework)



The five building blocks are, of course, strongly interconnected. A number of critical interactions between the building blocks are shown in arrows 1 to 5 in Figure 1 above.

Our first building block (A) focuses on the individual entrepreneur and her/his personal capital. Earlier research has shown that identity plays an important role for creative entrepreneurs (see Mumford et al., 2002, for an overview). It not only shapes the direction of creative ambition, but also governs the perception of creative opportunities. Furthermore, we know from the literature that research into ambition of creative entrepreneurs should address motivational aspects as well, because many creative entrepreneurs are often much less driven by extrinsic factors, but obtain their drive primarily from their intrinsic love for their craft and art.

Moreover, in building block A, we not only pay attention to psychological aspects such as ambition, identity, motivation and personality, but also to demographic characteristics of individual entrepreneurs such as age, education and gender.

The second building block (B) focuses on the entrepreneur and the enterprise. We believe it is important to have ambitions in this block as they are formed through capabilities and experiences of the entrepreneur as well as opportunities in the market. Second, the resources and capabilities of both the creative venture as well as the creative entrepreneur are assessed. Here, we focus on human and social capital. Within the human capital category, we make a distinction between professional human capital and entrepreneurial human capital. We know from the literature that professional skills are important. Successful creative entrepreneurs can typically benefit from substantial professional skills. Indeed, the literature suggests that one of the most noteworthy characteristics of creative entrepreneurs is their high level of professional skills.

The third building block (C) is the business strategy part of our model. We establish the key differentiating features of the venture, the business model of the enterprise as well as the firm's international and collaboration strategies although, in practice, it proved hard to directly ask questions from creative entrepreneurs about their business model or strategy. Using the fit model, we will empirically explore which business strategies work well in a particular environment, and which do not.

The fourth part (D) of our model involves business performance outcomes. We plan to focus on three performance outcomes that we believe are central in the context of the creative industries: firm growth (both in number of people employed, and in terms of overall revenue), the creativity / newness / innovation of the enterprises' products and services, and the financial viability of the ventures. Of course, such performance outcomes are co-determined by elements from the wider environment, too. This is why our last building block (E) assesses the impact of the prevailing entrepreneurial culture on the growth, innovativeness and profitability of creative enterprises.

This framework has been translated to a series of projects. Some of these projects used case studies, other used interviews and focus groups, but the backbone of this project was provided by a series of surveys. At three points in time (In the spring of 2015, 2016 and 2017) a large survey was send to the Dutch population of creative and non-creative entrepreneurs (for definitions see: Haans, 2017).

Table: 1
Table: The Creative Entrepreneur Survey (CES)

	Wave1	Wave2	Wave3
Creative	4,654	2,111	4,467
Non-creative	5,408	5,933	N.A.
Total	10,062	8,044	4,467

While there is a lot of understandable critique on surveys, there is also merit in using this instrument. For instance it allows researching large groups and obtain loads of information about these groups against relatively low costs. It also allows us to study the great diversity of creative entrepreneurs. While creative entrepreneurs have a lot in common, their diversity is even greater. Creative entrepreneurs can be found in many occupations, from acting to painting and from architecture to software development (e.g. gaming). Each occupation requires different capabilities and offers various opportunities. Some of the industries are changing quite rapidly, like the media industry, while others, such that of sculpting remain relatively stable. Some creative entrepreneurs are solo-entrepreneurs or freelancers, while others employ large teams. Some of these entrepreneurs work in B2B industries where networking is key. Others work in B2C sectors where peer-to-peer marketing and visibility are important factors. Moreover, some of these entrepreneurs work largely alone, while others typically work in large teams that build complex creative products (e.g. television, films, games).

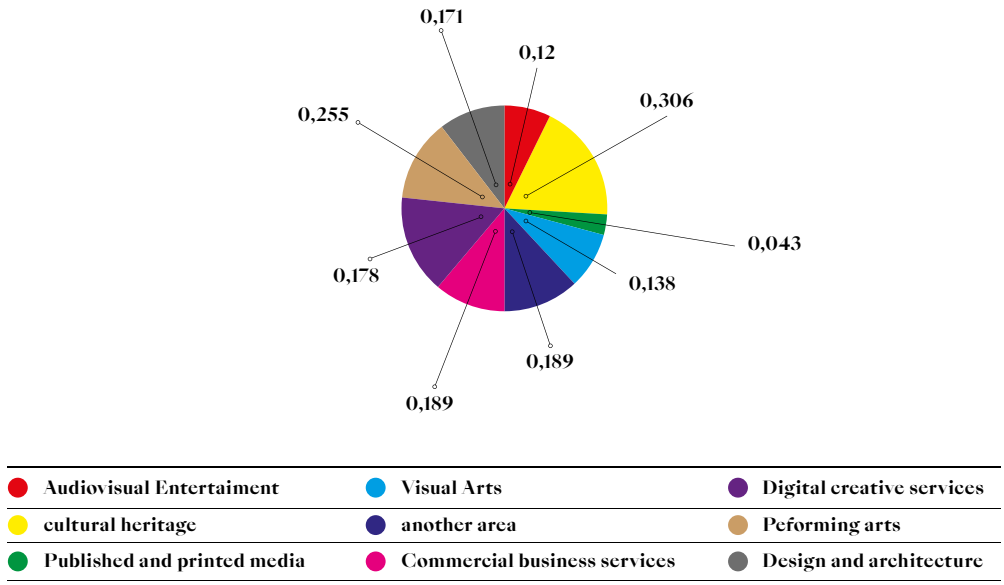
Not only the diversity of our subject pressed us to use surveys. Moreover, we felt that to uncover the differences between creative and non-creative entrepreneurs we also needed a large set of subjects to really establish the differences and similarities. Our ambition was to try to overcome all the conflicting insights from earlier research precisely by doing a large-scale study. This because smaller scale research projects which target certain audiences may lead to conflicting conclusions. While each of these conclusions may be factual in it-self, it does not shed light on the context and environment in which these conclusions are valid. We hoped that by doing such a large study we could really study the importance of fit between capabilities and opportunities and show that there are more ways to success.

While the three waves of surveys provided ample study material and really is the mainstay of our study, we used various other instruments to deepen our understanding. For instance many in-depth reports were devoted to the study of creative workplaces (Sihvonen and Cnossen, 2015). Another example is the interviews for the project on cross-industry collaboration where we studied the collaboration between artists (e.g. sculptors, painters) and large organizations such as ASML and KPMG.

Below we will go into the details of the various building blocks of our Creative Entrepreneurship framework. In Haans (2017) the reader can find more information about the sampling strategy, the constructs used and the main descriptive. For here it is sufficient to say that we used academically accepted and tested scales for all measures.

Finally, our study covers all the important sectors of the creative industry; from visual arts to media and from cultural heritage to design.

Figure: 4
sub-sectors of the industry in our study



In each of the sections below we will restrict ourselves by giving an overview of our main results. We will not discuss the vast existing literature for each set and we will not embroil ourselves in a lengthy discussion about the possible significance and implications of those results. For each of the blocks we compared the non-creative with the creative entrepreneurs. Here we made a distinction between firms and solo-entrepreneurs.

5.1 The personality of creative entrepreneurs

A number of demographic variables were measured for both creative as well as non-creative entrepreneurs. These are variables such as age, gender and education. Here we need to conclude that while there are some differences in demographics between creatives and non-creative entrepreneurs, these are relatively minor. The average age of both sets of entrepreneurs is comparable, with somewhat higher percentage of females in the creative sector. Interestingly, although we expected that creative entrepreneurs would be more likely to have an outside job to supplement their income, our findings suggests that non-creative entrepreneurs are just as likely to find an income outside their entrepreneurial adventures.

Table: 2
The Demographics of Creative and Non-Creative Entrepreneurs

Demographics	Creative Entrepreneurs	Non-creative entrepreneurs
Percentage female*	42,5%	37,4%
Average age*	47 years	51 years
Other source of income**	30%	30%
Total work experience*	6,7	6,8
Experience in current occupation*	6,2	6,2

* = wave 1 & 2 combined, ** = wave 1

Looking at the motivations of creative entrepreneurs vs. non-creative entrepreneurs we must acknowledge that in general the motivation to become an entrepreneur are quite similar for both sets of entrepreneurs. Both groups value flexibility, autonomy, professionalism and the ability to create and innovate highly. And both groups seem not to be motivated as much by financial matters such as monetary rewards. However, monetary rewards are even less important for creative entrepreneurs.

Table: 3
The Motivations of Creative and Non-Creative Entrepreneurss

Motivations	Creative Entrepreneurs	Non-creative entrepreneurs
Flexibility in how I spend my time	6,2	6,2
Variety of work	6,1	6.2
Being my own boss	6,0	6,2
Deliver quality work	6,3	6,3
Opportunity to create and innovate	6,2	6,1
Earning more money	4,9	5,1

The analysis of our data on creative ambitions shows that both creative and non-creative entrepreneurs find it important to make a living and find financial stability. While this is not one of their motivations to start as an entrepreneur, it is an important, necessary, ambition when they have chosen for the entrepreneurial life. But, crucially, for creative entrepreneurs this is just one of the many objectives they pursue. In addition, creative entrepreneurs aim to care more about involving the community, producing innovative

work, expanding the art form as well as to connect more to the audience than non-creative entrepreneurs do.

Table: 4
The Ambitions of Creative and Non-Creative Entrepreneurs

Ambitions	Creative Entrepreneurs	Non-creative entrepreneurs
Producing innovative work	5,8	3,9
Artistic freedom	5,7	4,1
Expanding the art /profession	5,1	3,7
Ensuring financial success	5,4	5,4
Entertaining the audience	5,3	4,2
Involving the community	4,8	4,5
Striving for recognized excellence	4,8	4,3

In comparison the non-creative entrepreneur sees achieving financial independence as the over-riding goal of being an entrepreneur. In this sense one could argue that creative entrepreneurs are more ambitious than non-creative entrepreneurs as they not only want to achieve financial success, but also strive for artistic, innovative and social success. And they would love to share their success with the larger community.

Conclusion:

Creative entrepreneurs and non-creative entrepreneurs choose for entrepreneurship for many of the same reasons: flexibility, autonomy, professionalism and the ability to create and innovate. For both groups making money is only a secondary reason to become an entrepreneur.

But after they become entrepreneurs, the most important goal of non-creative entrepreneurs is to ensure financial success. For the creative entrepreneur achieving this is just one of many ambitions next to producing innovative work, artistic freedom, and entertaining an audience. One might argue that creative entrepreneurs are just too ambitious and expect too much from themselves.

5.2 Capabilities and opportunities of creative entrepreneurs

Looking at the self-reported capabilities of creatives and non-creatives it is remarkable that creatives and non-creative entrepreneurs report approximately the same level of capabilities. First we looked whether creative and non-creative entrepreneurs reported the same level of creative capabilities. Here it comes as no surprise that creative entrepreneurs regard themselves as capable creatives. Creatives see themselves as people that are able to generate novel ideas and finding creative ways to solve problems. But, the difference is relatively small and also non-creative entrepreneurs see themselves as creative persons able to generate novel and original ideas to solve problems.

Table: 5
The Capabilities of Creative and Non-Creative Entrepreneurs

Capabilities	Creative Entrepreneurs	Non-creative entrepreneurs
Creative self-efficacy	5,8	5,7
Entrepreneurial self-efficacy	5,4	5,9
Risk taking attitude	5,2	5,4

The biggest difference between non-creative and creative entrepreneurs lies in the fact that non-creatives are far more confident about their entrepreneurial capabilities than creative entrepreneurs. This seems at odds with the fact that the creative industry is one of the most competitive industries. One may expect that only the creative entrepreneurs who are extremely fit and confident are able to survive. This seems not to be the case as creative entrepreneurs are less self-confident about their entrepreneurial abilities than other entrepreneurs. While this may be caused by the fact that the cutthroat competition in the creative industry requires more of the entrepreneur, it is wise to look at the construct of entrepreneurial self-efficacy.

One notes that creative entrepreneurs score significantly lower on the following three items of the self-efficacy scale: a) managing money, b) getting people to agree with you and c) making decisions. At the same time creatives score higher on their ability to solve problems. The above suggests that creative entrepreneurs, in comparison with other entrepreneurs, need a) more support in financial matters (money management), b) development and support in selling skills (e.g. agents) and c) coaching or other support to make decisions.

Conclusion:

Creative entrepreneurs are less sure about their entrepreneurial capabilities. They struggle with financial matters, with their selling skills and find it sometimes difficult to make decisions.

Looking at **opportunities**, it is worth mentioning that non-creative entrepreneurs see more opportunities across the board. While this may be true as the competitive creative marketplace may provide less opportunities than other markets, this lack of perceived opportunity may also be caused by other aspects such as a lack of market transparency and a limited feel for the needs of the market. Intriguingly one sees that the largest difference between creatives and non-creatives is in seeing opportunities by finding a different approach to marketing and communication.

Table: 5
The Opportunities of Creative and Non-Creative Entrepreneurs

Spotting opportunities in	Creative Entrepreneurs	Non-creative entrepreneurs
Sales and marketing	-0,1	0,1
Technologies and processes	-0,1	0,1
Products and services	0,0	0,0

If one looks at constraints one sees that creative entrepreneurs feel that they have less access to subsidies and financing than non-creatives. As we see, creative entrepreneurs are less able to connect to the market compared to non-creative entrepreneurs as they see more constraints. This supports the above-mentioned statement that they understand less the business and market dynamics. In addition, they feel higher levels of constraints by demand uncertainty than non-creative entrepreneurs. When it comes to organizations, creatives feel they have almost the same levels of constraints as non-creatives regarding lack of qualified personnel.

Table: 6
The Constraints of Creative and Non-Creative Entrepreneurs

Constraints	Creative Entrepreneurs	Non-creative entrepreneurs
Access to financing	4,2	3,6
Access to subsidies	3,6	3,1
Connecting to a market	4,3	3,8
Finding high-quality partners	4,0	3,8
Uncertainty in demand	3,8	3.4
Lack of qualified personnel	2,7	2,8

Conclusion:

Creative entrepreneurs find it harder to spot opportunities. Especially the opportunities offered by new technology and its applications and opportunities offered by new marketing approaches. At the same time creative entrepreneurs experience more constraints. They find it difficult to find access to markets and money.

5.3 Business strategies of creative entrepreneurs

For the solo self-employed, the growth ambitions in terms of new products sold and revenue is almost the same for creative and non-creative entrepreneurs. Both groups score rather high. This finding shows that the sample of entrepreneurs we contacted were either ambitious or optimistic about the future (or perhaps both). The values are almost the same for organizations so they stood between 4 and 5 for both types of creative and non-creative entrepreneurs.

Table: 7
The Growth Ambitions of Creative and Non-Creative Entrepreneurs

Growth & Export	**Creative Entrepreneurs**	**Non-creative entrepreneurs**
Growth ambitions: new products	4,6	4,5
Growth ambitions: revenue	4,6	4,5
Exporting	39,3%	27,7%
Considering relocation	2,3	1,9

In addition, the table shows that creative entrepreneurs are more likely to have foreign customers than non-creative entrepreneurs. In fact, creative entrepreneurs, due to the nature of their work, which may have universal appreciation beyond national borders, may attract international customers and clients who appreciate their artwork. In this respect they are also more prone to relocate.

Collaboration	**Creative Entrepreneurs**	**Non-creative entrepreneurs**
Outsourcing activities	45,7%	42,1%
How many outsourcing parties?	2,1	1,7
Strategy	**Creative Entrepreneurs**	**Non-creative entrepreneurs**
Value driven strategy	42,8%	39,7%

As collaboration is also a key aspect of entrepreneurship and has been seen as important to creative entrepreneurs especially we have looked at this in more detail. Here we see that creative entrepreneurs are more inclined to outsource part of their activities and collaborate with more partners. Intriguingly, although creative entrepreneurs operate in a very competitive market, they do not have a tendency to go for an operational excellence approach and stand out by low costs. They typically differentiate into niches and focus on quality.

Conclusion:

Interestingly creative entrepreneurs have a higher propensity to export and are more inclined to relocate. They collaborate with many partners and focus on delivering value to their clients.

5.4 Business outcomes of creative entrepreneurs

For solo self-employed, our results would suggest that the revenue of creative entrepreneurs for 2014, 2015 and 2016 have been consistently lower than their non-creative counterparts. In the table below you can see the results for revenue in 2015 showed through a number of categories. Similarly, creative entrepreneurs have reported lower levels of profitability compared to non-creative entrepreneurs. This finding is in line with our perception of creative entrepreneurs that they do care about creativity and bringing new ideas to the world but, at the same time, not caring much about revenue and profitability of their business.

Table: 8
The Performance of Creative and Non-Creative Entrepreneurs

Performance	Creative Entrepreneurs	Non-creative entrepreneurs
Revenue	8,4	10,5
Profit	4,4	7,1
Professional fee (hour)	60.48	67.83

Table: 9
The Innovation performance of Creative and Non-Creative Entrepreneurs

Innovation performance	Creative Entrepreneurs	Non-creative entrepreneurs
Revenue products new to the market	18,6	13,4
Revenue products new to the organization	22,4	16,5

Furthermore, our results show that a major part of creative entrepreneurs' revenue (41%) comes from products and services that are either new to the market or new to the organization, whereas this number of non-creative entrepreneurs is significantly lower (30%).

Conclusion:

Creative entrepreneurs make significant less revenue and profit than their non-creative counterparts. At the same time they innovate significantly more than non-creatives; they frequently bring out products and services new to the market.

When it comes to individual level outcomes such as satisfaction with various aspects of work, the findings (self-reported measure from 1 to 8) indicate that there is no major difference in terms of satisfaction with producing innovative work and even expanding the art form, although one might ask how non-creative entrepreneurs perceive this type of satisfaction. However, creative entrepreneurs are surprisingly less satisfied with producing work recognized for its contribution compared to non-creative entrepreneurs. It seems that they are more concerned with this dimension of their job as they must be seen by others to feel more the joy of achievement.

Creative entrepreneurs are also, on average, less satisfied with their financial stability and the making money part of their activity, as expected and as demonstrated in the table. Lastly, there is no major difference between this group and their non-creative counter-parts in terms of their satisfaction with involvement of the community and giving joy to their clients. In all these aspects of satisfaction, creative entrepreneurs do not score high.

Table: 10
The Satisfaction of Creative and Non-Creative Entrepreneurs

Satisfaction with	Creative Entrepreneurs	Non-creative entrepreneurs
Producing innovative work	4,9	5,0
Artistic freedom	5,6	5,3
Expanding the art form	4,9	5,1
Producing recognized work	4,8	5,0
Ensuring financial stability	4,0	4,5
Making money	4,1	4,7
Entertaining and connecting	4,8	4,6
Giving joy to clients	5,8	5,9
Involving the community	4,6	4,6
Publicly recognized excellence	4,4	4,5

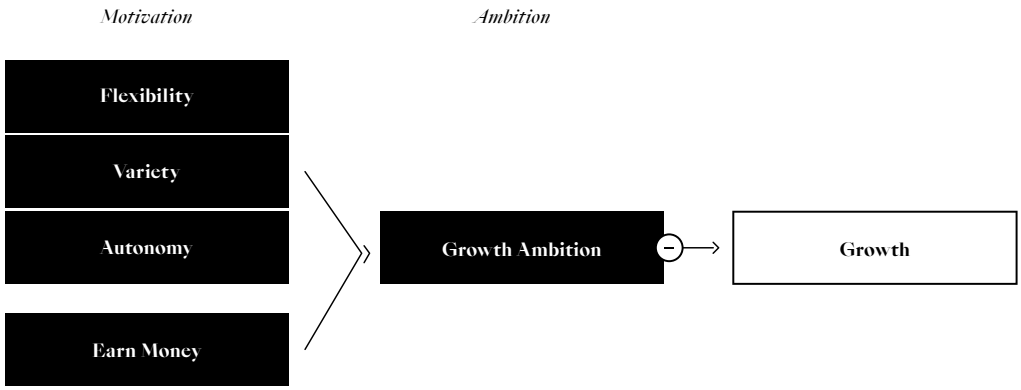
Conclusion:

Creative entrepreneurs are less happy about the outcome of being an entrepreneur than non-creative entrepreneurs. The biggest difference is their satisfaction with financial outcomes. Here the satisfaction of creative entrepreneurs is rather low.

5.5 Relations between the building blocks

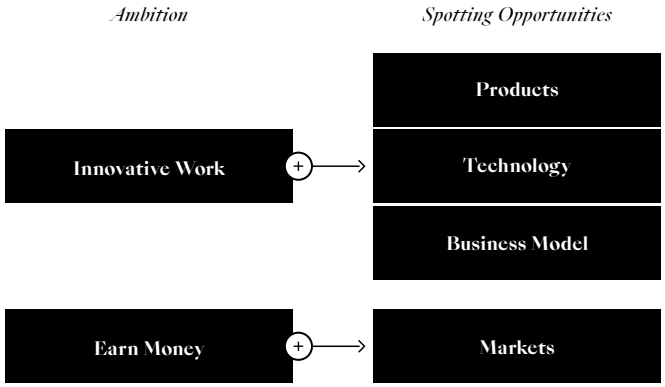
Our investigations suggest that those creative entrepreneurs who score high in the first three types of motivations (flexibility in spending time, variety of work and being their own boss) are less likely to have high company growth ambitions. On the other hand those creative entrepreneurs with motivations to earn more money are likely to have higher growth ambitions than those less motivations to earn more money. This, subsequently, means higher likelihood to grow a business in two years, according to our findings. Thus your motivation to start your business has an impact on the growth of your business.

Figure: 5
linking motivations to entrepreneurial growth



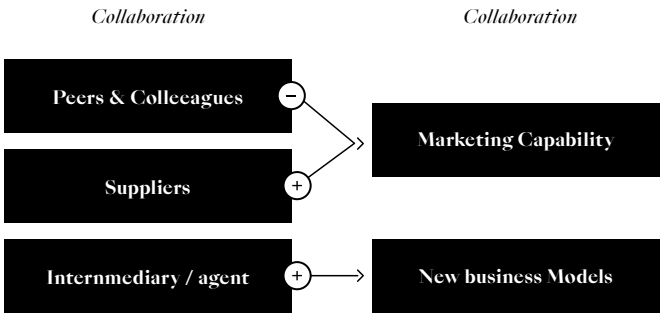
Looking into the linkages of ambitions and opportunities, having the ambition of producing innovative work is highly related to spotting opportunities not only in new products and services but also in new technologies and business models. So these persons can see possibilities in other important aspects that matter for doing a high quality business. But creative entrepreneurs with the ambition to be financially successful spot marketing and sales opportunities. These creative entrepreneurs seem to have a clear idea about their costumers and their needs. It is clear that your ambition really drives the opportunity you spot.

Figure: 6
linking ambitions to opportunity spotting



Furthermore and looking into the relation (arrow 2) between block B (capabilities, opportunities, constraints) and Block C (EO, growth ambitions, collaboration), we see a negative linkage between marketing and sales capabilities with the percentage of time spent with colleagues and peers. This means the more focus creative entrepreneurs have on their peers, the less able they are to concentrate on marketing activities as well as customers' needs. In addition, collaboration with suppliers has a positive relation with capabilities to satisfy customer needs. In addition, knowledge of new business models seem to have a positive relationship with spending time with intermediaries, agents and other complementary parties.

Figure: 7
linking collaboration and developing capabilities



Additionally and with respect to the relation (arrow 2) between Block C (EO, growth ambitions, collaboration) and Block D (Business outcomes), we can notice that spending time with intermediaries and representatives have a strong positive effect on growth ambitions of creative entrepreneurs but little and even negative effects on the actual profitability. On the other hand and in line with prior findings, collaboration with potential customers and clients show strong positive effects on actual profitability of the firm (even after two years the effects are still there) but it has little negative effects on the growth ambitions of creative entrepreneurs. Looking into the relationships, it shows that collaboration with suppliers has no direct effect on the profitability of creative entrepreneurs (despite some positive effects mentioned earlier).

Finally, regarding the relation between block D and block A, motivation to have variety of work has a significant positive correlation with profitability of the firm, even after two years. While flexibility in spending one's time and being one's boss as motivations show no relation with firm's profitability as expected, seeking to deliver work of high quality shows positive relationship with profitability of a creative entrepreneur's business especially after two years. Lastly, we found a limited yet positive relation between experience within the current role and profitability of the firm. On the contrary, there is no meaningful relationship between level of education and profitability of the creative entrepreneur.

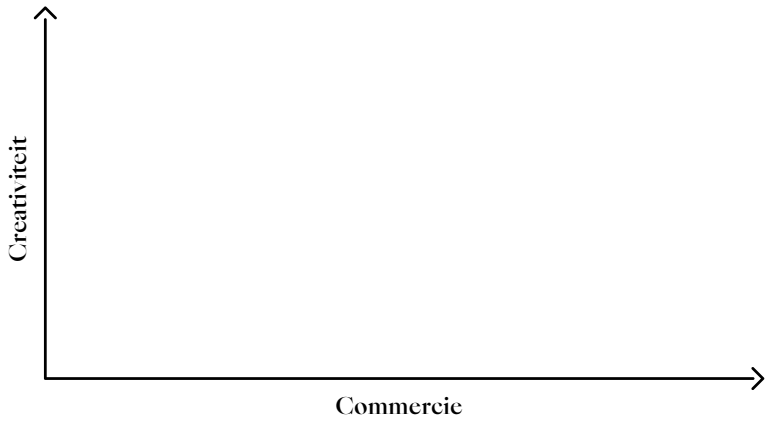
6. Discussion and recommendations

From the first part (chapter 3 and 4) we have learned that creative entrepreneurs operate in a very dynamic and overcrowded market. To merely survive in this context creative entrepreneurs have to be very entrepreneurial. The market is extremely competitive with a few winners and a long tail of entrepreneurs who barely survive. In this market the entrepreneurs are using their creativity to make new, innovative products. The entrepreneurial process is very uncertain; nobody knows in advance the size of the market for a novel, innovative product. Creative entrepreneurs therefore invest a lot of time and resources before returns can be reaped. Whether demand actually materializes is dependent on many factors such as the reaction of gatekeepers and social contagion effects. On top of this inherent insecurity of the creative process, the creative market itself is also very changeable. Disruption is default and markets are increasingly global and digital.

In the second part (chapter 5) we have learned that the characteristics of creative entrepreneurs and non-creative entrepreneurs are very comparable in demographic and entrepreneurial aspects. However, there are a number of interesting differences that shed more light on the particular features and challenges of creative entrepreneurs. First, creative entrepreneurs are very ambitious compared to non-creative entrepreneurs. Where the non-creative entrepreneur pursues first and foremost to achieve financial success, the creative entrepreneur has a wide range of ambitions. Producing innovative work, artistic freedom, public recognition, expanding the art form, making money and involving the community are all important ambitions to the creative entrepreneur. Perhaps the creative entrepreneur is too ambitious for his or her own good. Having all these priorities, the creative entrepreneur is constantly looking for finding an optimal relation between commerce and creativity. A core challenge for the creative entrepreneur is therefore to solve the commerce- creativity paradox.

Here it is important that creative entrepreneurs do not see creativity and commerce as a balance, a scale where more of the one (commerce) means less of the other.

This is not the case. Commerce and creativity is not a contradiction, but rather a solvable paradox. Our human history shows that creativity and commerce can go hand in hand. But to find such a spot is difficult and requires a deep understanding of both commerce and creativity.



Figuur: 1
de Commercie Creativiteit Paradox

Intriguingly creative entrepreneurs find it harder to spot opportunities than non-creative entrepreneurs. Especially they tend to miss out on opportunities offered by new technology and its applications and opportunities offered by new marketing approaches. It is therefore also no surprise that creative entrepreneurs find it difficult to obtain access to markets and money.

Within the group of creative entrepreneurs we see that those entrepreneurs who have a strong desire to make money are better in spotting market opportunities, while those entrepreneurs who have a great desire to create and innovate are better in spotting opportunities in creating new innovative products. Especially those creative entrepreneurs who collaborate extensively with peers and colleagues tend to have less feel for the market opportunities.

Creative entrepreneurs should understand that the duality between their grand ambitions and the limitations in time typically lead to choices that prefer product innovation above and beyond market access. This means that it is more difficult to spot opportunities where customer resources meet new innovative and creative approaches. It is hard to overcome these drawbacks without compromising on innovation and the realization of artistic ambitions. A person has only a limited and fixed amount of time. It is simply not always possible to put in the required hours to network and keep in touch with the market dynamics.

Given the need for creative and financial success, and the limited time available to the average creative enterprise, which is quite small, it is no surprise that it is very hard for an entrepreneur alone to achieve those grand ambitions. It is therefore quite logical that many creative organizations have a form of dual leadership. The ambitions are simply to grand for one person alone and the chances that a single person has sufficient creative and commercial skills to achieve these ambitions is low.

But dual leadership has its challenges in itself. We know that in many cases one of the leaders (*"all pigs are equal, but some are more equal than others"*) has more to say than the other. Moreover, as creativity is fundamentally passionate, and creatives have a need

to be understood, it is very difficult to find the right partner; someone who understands you, shares your dreams and vision, but brings different creative and entrepreneurial competences to the table. It is no surprise that the number of creative pairs is still quite small and that creative pairs typically are family members or lovers.

Another option; working with agents and coaches is very beneficial, but very hard in the beginning of the creative career. Also here it is hard to find coaches and agents that are trusted and who can help the creative career further. This requires a significant investment in time and profit.

Although there are many similarities between creatives and non-creatives we see that creative entrepreneurs make significant less revenue and profit than their non-creative counterparts. But, at the same time, they innovate significantly more than non-creatives; they frequently bring out products and services new to the market.

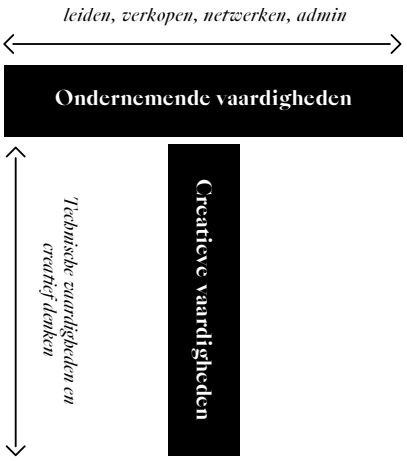
We have also seen that creative entrepreneurs are not so confident about their entrepreneurial capabilities. This is not unexpected given the fact that they have these large ambitions for themselves and face strong and very dynamic competition. Creative entrepreneurs say that they especially struggle with a) financial management and administration, b) with their selling skills, and c) find it sometimes difficult to make decisions. It is especially in these areas that creatives seek for help and support.

Concluding, it seems that the creative entrepreneur needs to overcome many ostensible contradictions. They need to reconcile their artistic ambitions with commercial and financial success. They not only need to be creative, but need to augment that creativity with other entrepreneurial capabilities. They need to be able to build networks, manage teams and manage financial streams. Just as any entrepreneur, they need to be a jack-of-all-trades. But on top of this, they need distinct creative skills.

In many respects one may have regard for creative entrepreneurs. In many aspects they are very ambitious and they show consistently that they are able to innovate. But the lack of attention for technology developments, customer preferences, and financial matters leads to a loss in revenue and profit. By predominantly being focused on product innovation, other opportunities are typically missed or disregarded.

Given the features of the market, and the challenges of creating novel, original products, one could say that the ideal creative entrepreneur has a T-shaped profile. They need to possess a variety of entrepreneurial skills such as leadership, strategic thinking, opportunity recognition, commercial aptitude and networking skills, as well as skills such as project and risk management. On top of these entrepreneurial abilities, the creative entrepreneur has to excel in creative skills such as creative thinking skills and specific technical skills, which fit the occupation at hand. These extending sets of skills are needed to help the creative entrepreneur to overcome some of the tensions between creative and commerce and to see these differences not as contradictions, but as navigable paradoxes.

Figuur: 2
The Need for T-SHAPED creative entrepreneurs



Of course they do not have to become specialists in these areas, but creatives should be sufficiently good in these areas to be able to outsource and direct this to partners to work with.

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Variable List

Below is the list of variables which were included in one of the three waves per area of study of our Creative Entrepreneurship Framework (CEF).

List of demographic and motivational variables (personal capital: Block A)

Variable	Wave 1	Wave 2	Wave 3
Demographic variables			
Gender	X	X	X
Age	X	X	X
Other income	X	X	X
Industry / subsector (list)	X		
Role within industry (list)	X		
Organizational demographics			
Organizational age	X	X	X
Motivation			
Motivations (list)	X	X	X

List of human and social capital variables (Block B)

Variable	Wave 1	Wave 2	Wave 3
Ambitions & goals			
Goals (list)	X		
Capabilities			
Total work experience	X	X	
Experience in current occupation	X	X	
Entrepreneurial self-efficacy	X	X	
Creative self-efficacy	X	x	
Risk taking attitude	x	x	
Opportunities & Constraints			
List of opportunities	X	X	
List of constraints	X	X	
Activities			
List of activities	X	X	

List of Business Strategy (Block C)

Variable	Wave 1	Wave 2	Wave 3
Strategy variables			
Outsourcing	X	X	
External partners	X	X	
Cost vs. value driven	X	X	
Outcome variables			
Expectations to hire	X	X	
Size in 2 years	X	X	
Export percentage	X	X	
Revenue	X	X	X
Profit	X	X	X
Growth ambitions	X	X	
Satisfaction (list)	X	X	X
Percentage revenue innovation (list)	X	X	X
Workweek (hours)	X	X	
Hourly tariff	X	X	X